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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 8, 2000

APPLICATION OF

INLEC COMMUNICATIONS VA, LLC

CASE NO. PUC000177

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On June 30, 2000, INLEC Communications VA, LLC ("INLEC" or the "Company"), completed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated July 26, 2000, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to INLEC's application. INLEC filed proof of

publication and proof of service as required by the July 26, 2000, Order on August 21, 2000.

On October 3, 2000, the Staff filed its Report finding that INLEC's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of INLEC's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the following conditions: (1) should the Company collect customer deposits, INLEC shall establish and maintain an escrow account held by an unaffiliated third party, notify Staff of the escrow arrangement, and maintain the account until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited financial statements of its parent, INLEC Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of INLEC's initial tariff.

A hearing was conducted on October 23, 2000. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. No public witnesses appeared.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that the Company may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

- (1) INLEC Communications VA, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-113A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (2) INLEC Communications VA, LLC, is hereby granted a certificate of public convenience and necessity, No. T-514, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (3) Should the Company collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, to hold such funds, and shall notify the Division of Economics and Finance of the escrow arrangement.

 Any escrow arrangement established pursuant to this Order shall

be maintained for such time as the Staff or Commission determines is necessary.

- (4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.
- (5) The Company shall provide audited financial statements of its parent, INLEC Communications, Inc., to the Division of Economics and Finance, no later than one (1) year from the effective date of INLEC's initial tariff.
- (6) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange services competitively.
- (7) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.